



A STUDY ON EFFECTIVENESS OF E-BANKING IN RURAL AND SEMI RURAL AREAS WITH SPECIAL REFERENCE TO COIMBATORE

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ABSTRACT

The most important sector service in the service sector is the banking sector. E-banking has made life much easier and banking much faster for both customers and banks. Advance technology allows the banks to enhance its operation with cost cutting effectively and efficiently to handle daily banking affairs via E-banking or online banking channel. Customers are being facilitated by reducing their visits in banks and doing their transaction via E-banking. In the present studies is attempting to study the effectiveness of E-banking in rural and semi-rural areas. Number of the respondents as sample is 120. This study is approach of using survey method. The data was collected through questionnaire method. Statistical tools were used to test the alternative hypothesis and achieve the objectives. The survey focuses on the effectiveness of respondents through E-banking services in rural and semi

Keywords: *Effectiveness, E-banking services, rural and semi-rural area*

1. INTRODUCTION

Electronic banking is more commonly referred to as internet banking or simply net banking. E-banking is simply the use of electronic and telecommunications network for delivering various banking products and services. Electronic banking can also be defined in a very simple form, it can mean provision of information or services by a bank to its customers, via a computer, television, telephone, or mobile phone. The usage of E-banking by the enterprises came into existence in mid-90. The progress of electronic banking started with use of automatic teller machines and afterwards it developed to online banking. Recently it transformed to internet a new channel between customers and banks which benefits both. The main aim of E-banking services is to provide the customers a much faster services with low cost.

POPULAR SERVICES E-BANKING

1. ATMs (Automated Teller Machines)
2. Debit Cards, Credit cards
3. Mobile Banking/ telephone banking
4. Internet Banking
5. Door-step Banking

STATEMENT OF PROBLEM

The most important sector service in the service sector is the banking sector. E-banking has made life much easier and banking much faster for both customers and banks. Now days, banks are offering online banking services like Internet banking, ATM, electronic corner using machine to accept deposits and other transaction. E-banking save a time and money with this providing free service for customer. This E-banking service was highly utilized and so much of usefulness in urban areas. This E-banking service not much using in rural areas. E-banking service rarely be utilized in rural and semi-rural areas due to broadband service. Rural and semi-rural areas, some customers are illiterate, they do not have proper information providing on banking services and they feel insecure of E-banking transactions. Customers don't have knowledge on the internet access to banks. The rural area customers they are not easily adopted the E-banking service they take a long so much of time because the E-banking service process was is too difficult. In the present studies is attempting to study the effectiveness of E-banking in rural and semi-rural areas with reference to Coimbatore.

OBJECTIVES OF THE STUDY

1. To study about the demographic profile of the respondents using Electronic banking services in rural and semi-rural area.
2. To know the various E-banking facilities provided by the bank.
3. To understand the effectiveness of E-banking facilities provided by the banks in rural area.
4. To analysis the various factors leading to use E-banking services among the respondents.

HYPOTHESIS OF THE STUDY

1. There is no significant relationship between occupation of the respondents and reason for mostly using in E-banking services.
2. There is significant relationship between annual income of the respondents and level of effectiveness of ATM in E-banking services.
3. There is significant relationship between age of the respondents and they are trust the security of E-banking services.

SCOPE OF THE STUDY

The increasingly competitive environment in the financial service market has resulted in pressure to develop and utilize alternative delivery channels. The most recently delivery channel introduced is Electronic banking or E-banking services. E-banking system give everybody the opportunity for easy access to their banking activities. It has developed as an effective distribution channels for banking service. The study is carried out to cover the customer's effectiveness on E-banking services in rural and semi-rural areas in Coimbatore. The present study covers the mainly dimension of effectiveness and the bank sector providing a various effective E-banking service to customers.

LIMITATIONS OF THE STUDY

- This study confined to rural and semi-rural area in Coimbatore only.
- The study has been conducted for various customer in rural areas, so it consumed more time.
- The sample size of the research is only 120 respondents.
- The research was carried out in a short period of time.

2. REVIEW OF LITERATURE

Arulrajah, (2006)

In contrary, the researcher noted that level of effectiveness of e-banking operations is not at low level; nonetheless, there is room for further improvements in future aiming e-banking customers in Sri Lanka (Arulrajah, 2006).

Potadar, Santosh.B. Hidayatulla K.Pirjade, (2013)

In their research paper "Emergence of e-banking in Rural Areas" some of reasons of not using internet banking in rural side are lack of education, missing E-banking awareness, no prior knowledge of computer and its peripherals, fear to perform bank transaction on machine, mentality to unchanged from manual activities, unfaith on computer machine, Economically unsound situation.

Manilall Dhurup Jhalukpreya Surujlal & Ephraim Redda (2014)

Manilall Dhurup Jhalukpreya Surujlal & Ephraim Redda (2014) in their paper "Customer perceptions of Online Banking Service Quality" provide an insight of customer perceptions of technology-based banking service and quality in a developing country. The results show that periodic measurement of the levels of online banking service quality should become an integral part of any bank's efforts and strategy in improving service quality levels.

Kumari (2016a)

Kumari (2016a) noted that degree utilization of electronic banking facilities is quite less than the potential. Researcher further noted that senior academics prefer traditional way of banking over e-banking (Kumari, 2016b).

3. RESEARCH METHODOLOGY

Research Methods is defined as “tools or instruments used to accomplish the goals and attributes of study”.

Method of data collection

The data was collected for this study is

- **Primary data:** The primary data are those which are collected as fresh for the primary time.
- **Secondary data:** Secondary data is collected from journals, magazines and books, newspaper and internet.

Area of study: This study was conducted in Coimbatore city.

Sample size: The sample size is 120.

Tools used for analysis: Data analyzing tools are Simple percentage and Chi-square test.

Simple percentage: Percentage base analysis helps to find which factors is significant among a number of factors.

Chi-square: A chi-square statistic which is used to test the measures of expectations compare to actual observes (or) model result.

4. ANALYSIS AND INTERPRETATION

Demographic profile of the respondents

S.no	Demographic		No of respondents	Percentage
1	Gender	Male	69	58%
		Female	51	42%
2	Age	Less than 20 years.	17	14%
		21-30years	38	32%
		31-40 years	17	14%
		41-50 years	21	11%
		Above 50 years	18	15%
3	Qualification	below HSC	19	15.83%
		HSC	28	23.33%
		Under Graduate	62	51.67%
		Post Graduate	11	9.17%
4	Occupation	Student	7	6%
		Employed	42	36%
		Self-employed	39	32%
		House wife	13	11%
		Others	19	15%
5	Have a bank account	Yes	120	100%

		No	0	0
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Interpretation: Table clearly states the demographic profile of the sample respondents. Majority of the responds fall in the age group of 21-30years and most of them are Male. Majority of them under graduate students. Majority of the respondent's occupation is employed. Most of the respondents have a bank account.

Chi- Square Analysis

Chi-Square Table 1

H₁-There is significant relationship between the occupation of the respondents and reason for mostly using in E-banking services.

Particular	DF	Chi-square	Table value	remark
Occupation reason for mostly using in E-banking services.	5	38.609	26.30	Rejected

Source: primary data

The calculate chi-square value is (38.609) is higher than (26.30) table value hence the hypothesis is rejected. Therefore, there is no significant relationship between occupation of the respondents and reason for mostly using in E-banking services.

Chi-Square Table 2

H₁-There is significant relationship between the annual income of the respondents and level of effectiveness of ATM in E-banking services.

Particular	DF	Chi-square	Table value	Remark
Annual Income and level of effectiveness `ATM	5	8.082	26.30	accepted

Source: primary data

The calculate chi-square value is (8.082) is less than (26.30) table value hence the hypothesis is accepted. Therefore, there is significant relationship between annual income of the respondents and level of effectiveness of ATM in E-banking services.

Chi-Square Table 3

H₁-There is significant relationship between the age of the respondents and they are trust the security of E-banking services.

Particular	DF	Chi-square	Table value	Remark
Age and rust the security of E-banking	5	16.359	16.919	accepted

Source: primary data

The calculate chi-square value is (16.359) is less than (16.919) table value hence the hypothesis is accepted. Therefore, there is significant relationship between age of the respondents and they are trust the security of E-banking services.

5. RESULT AND DISCUSSION

1. Majority (58%) of the respondents are male.
2. Majority (32%) of the respondents are 21- 30 years of age group of people using E-banking.
3. Majority (51.67%) of the respondents are under graduate.
4. Majority (36%) of the respondent's occupation is employed.
5. Majority (48%) of the respondent's annual income is 1- 3 lakhs.
6. Majority (100%) of the respondents are 'have a bank account'.
7. Majority (100%) of the respondents are register in E-banking' services.

8. Majority (100%) of the respondents are 'currently using E-banking services'.
9. Majority (30%) of the respondents are 'like to prefer ATM (automated teller machine) in E-banking services'.
10. Majority (35.83%) of the respondents are strongly agree in level of effectiveness on ATM in E- banking services.
11. Majority (39.17%) of the respondents are agree on level of effectiveness on Internet banking in E- banking services.
12. Majority (38.33%) of the respondents are strongly agree on level of effectiveness on mobile banking in E- banking services.
13. Majority (34.17%) of the respondents are disagree on level of effectiveness on 'doorstep banking E- banking services'.
14. Majority (30.83%) of the respondents are 'neutrally on the level of effectiveness on debit/credit card services in E-banking.
15. Majority (38.33%) of the respondents are 'neutrally on level of effectiveness on the other services in E-banking.
16. Majority (39.17%) of the respondents are mostly using E-banking services for the reason of easy to operate.
17. Majority (34.17%) of the respondents are not using E-banking services for reason of trust issue.
18. Majority (39.17%) of the respondents somewhat trust the security of E-banking services.
19. There is no significant relationship between occupation of the respondents and reason for mostly using in E-banking services.
20. There is significant relationship between annual income of the respondents and level of effectiveness of ATM in E-banking services.
21. There is significant relationship between age of the respondents and they are trust the security of E-banking services.

SUGGESTION

- There is still a lot needed for the banking system to make reforms and train their customers for using easily for E-banking.
- Going through the survey the main problem lies that still customer have a fear of hacking and thus do not go on for E-BANKING services.
- Banks are providing free E-BANKING services and that the customers can be attracted, and some services are regular using of a customer so it's more effectively and helpfully.
- E-banking services should be made friendlier to access. The time is changing, and the people are accepting new technology and they are expecting more level of effectiveness on E-banking services.
- It's the normal tendency of human not to have changes work on the old track, therefore it is another reason improving and effective level for the slow acceptance of e-banking services so the bank providing services quickly on customers.
- Providing a good level of effectiveness on the E-banking customer.
- Explaining E-banking service properly should be conducted frequently.

6. CONCLUSION

Most of the banks have implemented E-banking facilities which are beneficial to both i.e., banks and the customers. Though there are many effectiveness of scheme in the smooth implementation of E-banking system in India but at the same time E-banking is having a bright future. The use of ATMs, Debit and Credit, mobile banking has become a good source of usage of information technology and has passed a way for Digitalization.

Expectations level of effectiveness on consumers towards E-banking are, it should be time saving and convenient to use, should be user friendly and best in security. Adoptability of Internet banking and mobile banking is low in rural areas and board band service is a reason of customer rarely using. If customers use internet banking or mobile banking and ATM it would be beneficial for both customer and bank etc. The bank is providing a proper and high level of effectiveness on rural and semi-rural area.

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